

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

August 12, 2011

VALLEY FALLS RI POST OFFICE
CUMBERLAND RI 02874-9991
[DERRICK WATSON, PETITIONER]

DOCKET NO. A2011-18

Petitioner Reply Brief to USPS AR on Appeal of Closing of Valley Falls Post Office
02864

EXECUTIVE SUMMARY

1. Preface
2. Broken Promises
3. Reply to the Administrative Review Revenue Data
4. Reply to the Administrative Review Community Survey Data
5. Attachment: Synopsis and Recapitulation of Community Concerns

PREFACE:

I would first like to express my sincere gratitude to the men and woman union workers of the USPS service. The clerks, sorters, drivers, package movers, and residential delivery personnel make the USPS what it is and these individuals will be instrumental in keeping the USPS afloat in these trying economic times. Good service begets respect. I salute these unsung heroes and appreciate their dedication and steadfastness. My critique of the USPS should not be associated with the service of these men and woman but with how my community's confidence in

USPS management has been undermined by their arbitrary, capricious and discriminatory decision to close the Valley Falls Post Office.

I have never been pre-disposed to expressing my self with tongue in cheek. I was raised to call it as I see it. I apologize for my inherited brash nature and sincere passion. Hopefully this Commission will follow suit and provide hope to the multitudes of communities who may be forced to lose staple USPS services that have existed in their communities for generations. This essentially is the last document required by the Commission in support of the appeal of the Citizens of Valley Falls. We promise that it will at least be thought provoking, insightful and hopefully help the process evolve into one that allows a community concerns to be considered first and foremost when the USPS proposes to close a local post office. The USPS should realize that we initiate this process because we want and truly need them in our communities.

I am ever cognizant of the extreme pressure that the Commission is currently facing due to the almost doubling of the number of appeals that have been initiated since the citizens of Valley Falls made their appeal to the Commission. I am grateful to the Commission for allowing an average “Joe” to be afforded the opportunity to express why my community’s local post office in Valley Falls should be wholly reinstated and the USPS decision should be reversed post haste.

With regard to the USPS AR, (hereafter AR) that was submitted to the Commission on July 15, 2011, I am not at all surprised by the lack of transparency that the USPS has

exhibited during the process that it used to make its decision to close the Valley Falls Post Office. The AR that should have been made available to the citizens of Valley Falls prior to the 60 day notice was not made available to us until we were forced to request from the Commission a review for appeal on May, 23 2011. Forcing the USPS to eventually disclose information that would allow for a comprehensive review of the data they used, required motions from both David Popkin and me, the Petitioner. Even after the Commission ordered the USPS to provide me with the disclosed information the USPS choose to partially ignore this directive. The time period that was afforded me to analyze and interpret the supplied data acutely undermined my ability to critique its findings. The USPS and their non-responsive attitude with regard to this directive and their perchance of misrepresenting facts and providing misleading statements to the honorable representatives of the State of Rhode Island and via written communication and community meetings held in Valley Falls is indicative of how the USPS has consistently treated the citizens of Valley Falls with disrespect.

In my reply to the USPS AR, I will dissect it and point out where the USPS has severely underestimated the impact this closure would have on the citizens of Valley Falls and how the actual data contained in the AR and its extrapolated outcomes has been totally misconstrued.

My reply to the AR is not rife with the usual legalese language that accompanies most documents submitted to this Commission by learned and astute attorneys for I am not versed in such matters. It is however full of common sense analogies and reasons that a normal person can understand. It is my hope that other communities experiencing the same negative impact as a result of post office closings will learn how to thwart the avalanche of community and social deterioration that post office closings will have on their communities

and also learn from the success or failure of the Citizens of Valley Falls efforts to not only save our post office but maintain the historic fabric of our community. The success or failure of our efforts will not be made in vain.

Attached to this reply is a recapitulation of the original reasons why the Valley Falls Post Office should have never been considered for closure. I would like to insure that the Commission keeps current the previously mentioned facts. I attach this document because I do not assume that the commission will have the proclivity to search for documents submitted prior to this current reply to the AR or either recall the rationale expressed therein. The attachment reiterates logical and factual reasons as stated in prior statements to the Commission (Participant Statement Order 61 June 27, 2011 and in my initial appeal document May 23, 2011) of why the USPS decision is inherently flawed.

Lastly, I request that the Commission bears in mind the 400+ signature petitions that were submitted and attached to my original request for appeal document dated May 23, 2011. I also request that the Commission considers the individual signatures submitted by business owners in the Valley Falls community and the 140 individual letters from the residents of Valley Falls submitted on June 8, 2011 and compare this more inclusive and conclusive community response against the USPS 78 questionnaires that were gathered in September of 2009. I will refer to the individual letters submitted by the citizens of Valley Falls and the questionnaires submitted by the USPS and compare and contrast these two surveys in a detailed response to the AR Community Survey data.

BROKEN PROMISES

On August 8, 2011 I forwarded a letter to The Commission outlining a serious issue that I have experienced since the closure of the Valley Falls Post office

on July 8, 2011. As an eBay seller I rely solely upon the USPS for shipping my eBay packages. Due to my diligence and attention to detail when it comes to shipping, I have earned the eBay rating of both a “Power Seller and “Top Rated Seller” Since this business was started a little over one year ago I am proud to have earned such a good reputation with the eBay community. As a direct result of the USPS closing the Valley Falls Post Office this designation may soon be taken away from me.

My letter to the Commission dated August 8, 2011 related a situation where two parcels that I delivered to the Diamond Hill Post Office on July 18, 2011 had not been delivered to their destination as of August 6, 2011. Although two other 1st class items were successfully delivered to their locations, the parcels were not only lost but the tracking information for these parcels were mysteriously missing in the official USPS Track and Confirm online system. I indicated in that letter how this inefficient service has threatened to not only make me lose potential repeat customers, lose income, lose my “Top Rated Seller” status, but also lose the value of the items that I shipped. I have spent numerous hours on the phone calling not only customer service but each of the post offices involved in the disappearance of these two packages. Since the disappearance of my packages mysteriously coincided with time I was given to prepare my reply to the AR my eBay business has suffered. I’ve spent more time in the past week hunting down lost packages than shipping new ones. As of August 11, 2011 neither of these items have been delivered but one, that was bound for Fillmore Utah, was found in Jacksonville Florida on August 6 2011.

I have shipped hundreds of items from the Valley Falls Post Office over the past year and they have never lost a package. As per the USPS and its response to my

community concerns regarding the quality of service we would receive as a result of consolidating the Valley Falls Post Office with the Diamond Hill Post Office it is clearly evident that the USPS decision to close the Valley Falls Post Office has not resulted in anything beneficial for me or for the residents of Valley Falls.

REPLY TO THE ADMINISTRATIVE REVIEW REVENUE DATA

I must admit that the AR submitted by the USPS in response to the Commission's CIR Order is a formidable document and presents a tremendous amount of detail with regard to the USPS delineation of the Valley Falls Post Office's operations, revenue and expenses for fiscal years 2007 through 2009. The detailed financial and revenue data presented in this report attempts to justify why the USPS decided to schedule and subsequently close the valley Falls Post Office on July 8, 2011.

The majority of data revealed in the fully disclosed AR can in my estimation only be completely interpreted by managers of the USPS and its team of data analysts or an accountant. There is however the presentation of data that encapsulates the primary reasons why the USPS made its decision to not only study the solvency of the Valley Falls Post Office but eventually implement its closure. There are two areas that I will focus upon. One important area is the reported savings that will benefit the USPS as a result of the closing the Valley Falls Post Office and the other is the reported decline in profitability, revenue and customer visits at the Valley Falls Post Office as of November 2009.

The following is a narrative summation of the USPS findings with regard to the financial operation of the Valley Falls Post Office

1. The USPS will save a substantial amount of money by closing Valley Falls

2. The Valley Falls Post Office has experienced a decline in retail revenue since FY 08
3. The Valley Falls Post Office has experienced a decline in customer visits since FY 08
4. The Valley Falls Post Office overall profitability has declined since FY 08

The following is a financial summation of the USPS findings as per the AR as of November 2009:

Office Receipts:

1. FY 07 – 199,939
2. FY 08 – 202,331
3. FY 09 – 183,133
4. FY 10 - Not Submitted

Percentages of Decline since FY 08 as per the AR as of November 2009

1. Retail Revenue 9.5%
2. Retail Transactions 4.1%
3. Customer Visits 6.1%

The USPS AR mentions a variety of operational expenses that are exhibited in ITEM 9 PAGE 1. Since the values depicted here represent substantial differences between the listed actual and planned cost, I am unable to analyze these figures and the USPS offers no explanation as to how it was going to change either staff expenses, fixed expenses or an overall reduction in operating expenses to meet these planned savings.

The USPS rendered a decision to close the Valley Falls Post Office on November 9, 2009. The USPS utilized the data gathered during the 2007-2009 fiscal year period to determine the solvency of the Valley Falls Post Office but then continued to operate the facility for an additional 16 months. In February of 2011 the Final Determination to close the Valley Falls post office was signed and this document ordered the manager of this facility to inform the community of its decision to close it. It is curious why the USPS, although it had the opportunity to include Fiscal Year 2010 data that could have bolstered its claims of a decline in revenue at Valley Falls never included either total revenue , retail

transactions or customer visits for this period in its Final Determination. The percentages that the USPS used to document the decline in revenue at the Valley Falls Post office was over sixteen month old when the final determination was signed. I request that the Commission require the USPS to both submit and analyze revenue and transaction data of the Valley Falls Post Office from fiscal year 2010 in an amended AR. If the USPS had implemented its closure action in a more timely manner and prior to a point where the gathering of fiscal year 2010 data was possible then its claims of revenue decline at Valley Falls would be current and more believable. The fact that not one document that the USPS has submitted to the Commission in the AR contains data for fiscal year 2010 only further illustrates that their 2011 decision was based upon very stale data.

Upon further analysis of the FY 2010 missing data issue something else becomes evident. I can only assume that the real reason why the USPS did not attempt to close the Valley Falls Post Office in 2010 as its efforts to prepare its AR in 2009 suggests was impeded by the fact that it could not justify closure while being responsible for such high residual expenses like lease payments. Basically the USPS did not want to come under scrutiny attempting to close a postal facility that had 3 years left on its building lease. The reported savings from closing the Valley Falls Post Office had the USPS initiated its closing action in 2010 would have been mitigated by its 3 year lease obligation. The USPS rationale was to wait a year so that it could report savings from 2009 based upon the subtraction of two years worth of lease requirement as opposed to three years. The USPS has to demonstrate how their savings is calculated based upon FY 2010 operating expenses minus the two years left on their lease. Without reporting 2010 figures it is impossible to determine the savings if any the USPS would reap.

The USPS based its Final Determination to close the Valley Falls Post Office primarily upon the premise that this retail facility suffered a modest decline in revenue and

retail traffic. The USPS fails however to offer comparisons of either national declines in these areas or how the Valley Falls revenues compare to other retail post office facilities during these same time periods in the State of Rhode Island. Since the USPS chose not to offer either a contrast or comparisons it is almost impossible to analyze their findings of Valley Falls as they relate to the possible decline in USPS revenue and retail traffic as a whole. The major question that should be asked of the USPS is if the Valley Falls Post Office was the only retail postal facility in Rhode Island that suffered a reported decline of such magnitude, or did other facilities in New England also experience similar declines. Since this information is not documented in the USPS AR it appears to render the USPS decision to close the Valley Falls Post Office as arbitrary, capricious and most of all discriminatory.

With regard to the narrative and financial summations as they appear in the AR and Final Determination presented by the USPS, I find that these figure are missing a substantial host of other pertinent data that may substantially offset the USPS claims of a decline in revenue and window traffic at the Valley Falls Post Office. The relevancy of this missing data that should be included is based entirely on the following:

The USPS has aggressively encouraged both retail customers and small business shippers like eBay sellers to purchase retail postage and shipping labels online for the past few years. As per statements made by Postmaster Patrick Donohoe to the Direct Marketing News on January 14, 2011 the USPS hoped to increase its market share of eBay shipping and increase revenues from \$700 Million per year to \$1.4 Billion yearly over the next 5 years. The USPS sees online shipping as its future mainstay and hopes that eBay shipping will help the agency mitigate the decline in first class mail revenue.

It is well document that 1st class mail revenue is down and we must concede that there is nothing that the USPS can do about this in light of the technology that is available today. Today most if not all major retail businesses have online stores and mail order businesses. There was a time when everything we purchased had to either be picked up from a store or delivered from a store. Although internet technology has rung the death knell of 1st class mail it has also heralded the age of online purchases and shipping. If the USPS is to succeed in its quest to increase its revenue by getting a substantial market share of the shipping business of online sellers then it must create a climate that assists online sellers.

The revenue and counter visits as reported in the USPS AR are substantially skewed because they fail to take into consideration the number of transactions and the revenue that small shipping businesses like eBay and Amazon sellers have generated via online purchase of postage within the 02864 zip code and at the Valley Falls Post Office in any of its reported fiscal years. Since the amount of retail sales and online purchases of shipping services are credited to USPS.com, this revenue is siphoned from the zip codes and postal facilities they should actually be attributed to.

Failure of the USPS to credit the zip codes or post office where these revenues originate via USPS.com will always afford the USPS with the ability to significantly reduce the income reported at a particular retail postal facility. When postal customers purchase services online their purchases can effectively reduce a postal facility's revenue. Customers who opt to buy postage online may have less need to visit a postal facility to make those purchases. Counter visits and subsequently revenue for a customer's local retail facility will understandably decline. However the overall revenue generated within a zip code may not be affected since customers are still purchasing postal services but are not making counter visits to do so. Therefore there can be a direct ratio of increased online sales and the decrease of revenue for a particular postal facility. Since online purchases like shipping

labels are not credited to a postal facility within a zip code the counter visits from dropping off parcels paid for online are also not credited. The USPS would have us believe that the Valley Falls Post Office has fallen prey to a decline in revenue and counter visits. I will demonstrate how and why revenue that has been generated in both the 02864 zip code and the Valley Falls Post may have been significantly different from what was reported in the USPS AR for fiscal years 2007-2010.

To fully understand why it is important and also absolutely necessary to include revenue derived for online purchases to a zip code and postal retail facility you must first examine the shipping process especially as it relates to small business shippers like eBay and Amazon sellers. It is absurd to think that as customers do more online purchases of shipping services and stamps that these activities will or can simultaneously maintain or increase the traffic or retail receipts at a postal retail facility.

EBay sellers and online marketers are the driving force for purchasers of online postal service. We purchase shipping labels online because it simplifies our shipping process and lessens the amount of time we have to wait at the counter at a post office to get our packages accepted. Although we purchase shipping labels online we still have to take these items to a local post office to initiate the shipping process.

(The USPS will most likely want to argue that “carrier pick-up” is an option that they offer online shippers but I will demonstrate shortly why this is not a viable option for most eBay sellers)

In addition to the \$700 Million in revenue that small business shippers pays to the USPS, our online purchases also ultimately reduces the time a retail clerk has to spend weighing and calculating postage for our packages. This delivering of pre-paid postage

packages to our local post office also decreases the time that other postal customers have to wait in line. Although we help reduce wait times at retail postal facilities neither our efforts nor our visits are tabulated by the USPS or credited to the postal facility where we deliver our packages. If the USPS were required to not only credit our local post offices with both the revenue we generate and the visits we make to a retail postal facility on a daily basis the revenue and counter visits that the USPS reports in its AR would be substantially different and may in fact provide an increase in revenue in a particular zip code and postal facility.

The revenue or counter visits of the small shipping business and online postage activity of eBay sellers has not been included in the overall revenue calculations in Valley Falls. If the USPS is allowed to report a decline in customer visits and revenue in its determination to close the Valley Falls Post Office, then how can it also be allowed to aggressively steer business from the Valley Falls Post Office by encouraging online postage purchases? This practice is akin to eating one's cake and then complaining that there is no cake left on the plate. The USPS can not complain that no one is visiting the Valley Falls Post Office when it is its own practices, and policies that in effect discourage post office visits. Although the USPS uses a decline in revenue generated by the Valley Falls Post Office to assist in its determination to close this facility, the USPS must be made to understand that no matter how much eBay sellers and other postal customers purchase online they must still have local access to retail facilities to consummate their transactions and thus these visits should be credited to that postal facility.

The revenue generated by customers who purchase retail postal services should be calculated and attributed to the zip codes from where they originate and a counter visit and the revenue from that counter visit should be tabulated at the retail facility where the package is brought for acceptance. This is the only way a local post offices will get credit for the revenue and the number of packages they accept when the purchase of shipping

labels have been made online. Every post office in the United States can be put under review by the USPS if it is allowed to divert revenue that was purchased online in a zip code away from local post offices.

Case in Point:

The USPS in its AR and Final Determination reports revenue and percentages of decline at the Valley Falls Post office from the 08 and 09 fiscal years. They fail to calculate the revenue that they received from online purchases made by more than 85 eBay sellers that operate in 02864 Cumberland RI. These eBay seller and other online sellers purchase labels online and ultimately bring these pre-paid parcels to a post office in Cumberland RI.

I consider my self a small sized eBay business when it comes to shipping volume. I attained the status of “Top Rated Seller” and “Power Seller” in less than 6 months after starting an eBay business in June of 2010. During the last year I have purchased over \$ 2,100 in online labels for both eBay and Amazon and have made hundreds of trips exclusively to the Valley Falls Post office to initiate delivery of these parcels.

The following represents a copy of my PayPal financial statement from June 2010 to December 2010. All information other than the “Online Payment Sent” information has been redacted. This section represents payments that have been made to the USPS strictly for purchasing online postage: (Exhibit 1 represents a sample period of the PayPal accounting form for transactions where online postage was purchased for my eBay business and paid to the USPS. I present this sample to illustrate how most eBay sellers pay for shipping labels after they have made a sale).

cumberland-02864 RI

Financial Statement from Jun 01, 2010 to Dec 31, 2010
Amounts in USD

Beginning Balance 0.00
 Ending Balance #####
 Beginning payables balance #####
 Ending payables balance #####

Sales Activity #####
 Payments received #####
 Refunds sent -#####
 Fees -224.90
 Payment fees -#####
 Refunded fees* #####
 Chargeback fees #####
 Other fees -#####
 Dispute Activity #####
 Chargebacks & disputes -#####
 Dispute reimbursements #####
 Transfers & Withdrawals -#####
 Currency transfers #####
 Transfers to PayPal account #####
 Transfers from PayPal account -#####
 Purchase Activity -#####
 Online payments sent **-1,494.82**
 Refunds received #####
 Debit card purchases -#####
 Debit card returns #####
 Other Activity #####

st,cumberland-02864 RI

Financial Statement from Jun 01, 2010 to Dec 31, 2010

Note: This is not an actual bill

* Paypal refunds you fees for any fraudulent transactions or in cases when the refund happens within the first 2 days of the sale.

PayPal Inc., 2211 N First St, San Jose, CA 95131


































































No matter how many labels that I have purchased, the revenue that resulted from these purchases, or how many times I visited the Valley Falls Post Office, the USPS system does not include either my online purchases or window visits in the retail revenue for Valley Falls Post Office. If my small business generated this much revenue for the USPS and I exclusively brought my items to the Valley Falls Post Office for acceptance then why is the Valley Falls Post Office not credited with this revenue? If I had instead taken every package to the Valley Falls Post Office handed them to the clerk to be weighed, measured and have

postage calculated for them then the Valley Falls Post Office would have been given credit for the visit and the sale. This of course would significantly slow down the retail operations there and this is not really what the USPS aggressively encourages eBay seller to do. Regardless of which way I pay for the package postage they still must to handled by the Valley Fall Post Office. If you multiply the number of eBay, Amazon and other online sellers that undertake the process of purchasing labels online and hauling packages to the Valley Falls Post Office on almost a daily basis, the revenue and counter visit figures that are reported by the USPS in the AR would significantly increase for each fiscal year. To the detriment of both the eBay sellers and other postal customers that came to depend upon the Valley Falls Post Office, the USPS has dismissed this potential additional revenue and counter visits and uses the lack thereof to report a decline in revenue.

If one was to visit the eBay website and conduct a search of sellers in the Cumberland RI area one would discover over 85 active eBay sellers. There are more eBay sellers in Cumberland RI than the total number of reported respondents that the USPS gathered with its September 2009 community survey. EBay sellers are notorious for being closed mouthed regarding their businesses and most were probably reluctant to reveal the nature of their business via the USPS survey form. The USPS however, knows who we are and they most certainly knows the volume of packages that we ship and the revenue that we generate for them. They also know where our businesses are located and the return address and zip codes we use to purchase online postage. The USPS reports that EBay sellers generate over \$700 million a year in revenue and they can pinpoint exactly where by zip code this revenue is originating.

The following table represents a redacted sample list of 63 eBay sellers who operate out of the 02864 zip code in Cumberland RI. The list is redacted to protect seller privacy. This information can be easily obtained from the eBay web site by searching for sellers in the

02864 zip code. It should be noted that the eBay seller IDs are of varying lengths but have been redacted equally for the seller's protection and privacy.

0*****e (52 ) 100.0%	b*****m (414 )100.0%	j*****s (250 )100.0%
2*****n (319 )  96.8%	c*****5 (431 )100.0%	j*****0 (1079 )100.0%
2*****y (1266 ) 99.8%	c*****o (185 ) 100.0%	j*****3 (202 )99.2%
a*****g (24 ) 100.0%	c*****e (330 )100.0%	k*****k (657 )100.0%
a*****0 (1110 )100.0%	c*****1 (2144 ) 98.8%	k*****9 (560 )100.0%
a*****s (128 )  100.0%	c*****s (90 )100.0%	k*****s (17 ) 94.7%
a*****9 (579 )100.0%	d*****9 (1306 )100.0%	k*****y (3446 ) 100.0%
a*****c (671 )97.1%	d*****2 (360 )100.0%	m*****2 (414 )100.0%
a*****r (766 ) 99.4%	f*****4 (131 ) 100.0%	m*****2 (74 )100.0%
a*****s (2095 )100.0%	f*****3 (29 )100.0%	m*****2 (166 )100.0%
a*****1 (158 )100.0%	g*****3 (1134 )99.5%	m*****e (181 )100.0%
b*****9 (322 ) 100.0%	i*****9 (5227 )100.0%	n*****s (11193 )100.0%
b*****5 (291 ) 99.7%	j*****7 (664 )100.0%	o*****ty (3005 )100.0%
b*****7 (176 )100.0%	p*****j (19 )100.0%	q*****9 (405 ) 98.6%
r*****9 (105 ) 100.0%	p*****s (9160 )99.7%	r*****3 (581 ) 100.0%
s*****f (2561 ) 100%	p*****i (152 )100.0%	s*****4 (91 ) 97.9%
t*****23 (51 ) 100.0%	t*****t (471 ) 100%	t*****4 (351 )100%
t*****2 (53 )100%	t*****8 (2432 ) 100%	t*****s (4812 ) 99.9%
t*****x (176 ) 100%	u*****e (127 ) 98.6%	v*****s (859 ) 100%
w*****e (378 ) 100.0%	w*****d (132 ) 94.4%	w*****7 (2364 )100%
x*****e (8210 ) 99.5%	z*****r (252 ) 100%	g*****s (388 ) 99.7%

For the purpose of demonstrating the potential revenue that may have been generate by eBay sellers purchasing online postage I will create simple formulas that use small amounts of both packages shipped and postage amounts paid. I will assign to each seller an equal amount of parcels to ship each week The actual number of each seller's shipping volume would of course vary from seller to seller and the price of postage for each

package would also vary. I will use low figures for all estimates then calculate the totals for both a monthly and finally yearly estimate. The totals generated via this method will provide at least a minimal amount of revenue that can be used to make a fairly reasonable assumptions with regard to the potential revenue that these sellers may have generated. To ensure that these tabulations are fair I will then divide the total in half and assign this figure to total potential revenue that the USPS could have credited to the Valley Falls Post Office for each reported fiscal year.

Although there are more than 85 sellers who conduct eBay business in the 02864 zip code, I will base this simulation on the 63 sellers listed in the table. It should be noted that this is only a sampling of eBay sellers and that some of these sellers also sell and ship from Amazon as well. I have adjusted the shipping year to be only 40 weeks to account for times when sellers may take vacations.

63 Sellers X 10 Parcels per week = 630 Parcels

630 Parcels X \$5.00 Online Postage = \$3,150 Generated Weekly Revenue

\$3, 150 X 40 Weeks = \$126,000 Yearly Generated Revenue (accounts for Vacations

\$126, 000 / 2 = \$63,000 Yearly Revenue For Valley Falls Post Office (Simulated)

These figures are only estimates but one could safely assume that successful eBay sellers experience a 10-15% increase in their sales yearly after they become “Top-Rated” Sellers. Some eBay sellers will of course sell more than 10 items a week and the postage paid could dramatically increase depending upon the weight of the item sold.

AR Reported Revenue VF	Potential Revenue from Online Sales	Totals
FY 07 – 199,939	63,000	262,939
FY 08 – 202,331	69,300	271,631

FY 09 – 183,133	76,230	259363
FY 10 - No Data	83,853	83,853

The above table of course represents a simple illustration of how revenue from the online purchase of postage if added to the reported AR figures could significantly decrease the reported decline in Valley Falls Post Office revenue. These figures are relatively low and since the USPS has defined a goal of increasing eBay revenue from 700 million to 1.4 billion within a 5 year period you could assume that the USPS would also capture a percentages of increase yearly increase in eBay online postage purchases from The Valley Falls Post Office as well. The bottom line is that if the USPS credited the Valley Falls Post Office with online purchases of postage for the above fiscal years it would have painted a much different picture about the USPS reported decline in revenue.

It is only fair that the online postage I and other eBay sellers have paid to ship packages from Valley Falls and bring them there for acceptance be included in the revenue and counter visits for Valley Falls.

The following article appeared on the Direct Marketing News website on January 14, 2011.

Donahoe vows to improve USPS' customer service, woo potential advertisers

“They aren't using mail, for whatever reason. It's our job to sell them on the mail,” he said, adding that the USPS will work to ease the mailing process. “We have to simplify it.”

The Postal Service sees opportunities for growth in the package business, Donahoe added. To that end, the USPS signed a five-year agreement with eBay to provide online tools and marketing programs to small businesses. Consumers who shop on eBay won't have to leave the site to take advantage of Priority Mail discounts”, he noted.

Donahoe added that the USPS gets about \$700 million in annual revenue from eBay shipping. It wants to double that to \$1.4 billion in the next five years.

(1) as reported on the Direct Marketing News web site dated January 14, 2011.

Although Mr. Donahoe states that he wants to increase the USPS market share of the eBay shipping business the actions of his agency undermine his efforts. By encouraging eBay sellers to pay for postage online and then closing facilities where packages can be shipped from he eventually hurts all eBay seller. Essentially we are penalized when we purchase postage online and the revenue and counter visits of our local postal facilities are made to decline.

The closure of the Valley Falls Post Office has and will eventually put some eBay seller out of business or drive them to the USPS competition.

Closing retail postal facilities is absolutely counter productive to the USPS dream of acquiring a larger market share of eBay shipping revenue. By limiting the facilities where packages can be delivered eBay seller are forced to incur additional expenses by increasing the cost of doing business. A few EBay sellers, like myself operate on very small profit margins. Traveling to more distant post offices can sometimes reduce the margin on a particular item barely above cost. It is inconceivable that the USPS wants to capture more shipping revenue from my business while simultaneously making it more difficult for me to get packages to retail facilities. Operating an eBay business is not a get rich quick opportunity. As sellers we go through great lengths to provide quality items, hassle free service and timely shipping. Most sellers don't charge buyers for things like shipping supplies, tape, labels, the cost of internet access or the cost of fuel to haul a package to the post office. We simply absorb these expenses and subtract them from our profits.

Since the closure of the Valley Falls Post Office myself and other eBay sellers have felt the sharp pinch of the added cost for fuel to travel longer distances to drive our parcels to postal facilities. When the Valley Falls Post Office was open I would often travel there a

couple of times a day to insure that my shipping rating and quality percentage remained high. As a result of one major shipping debacle where the Diamond Hill lost two of my items, I have received negative feedback because my buyers have not received their items as I promised. In a matter of one week after the Valley Falls Post Office was closed I began to experience shipping problems. Having to travel longer distances to a post office and then having them lose my item only adds insult to injury.

As of this date, the closure of the Valley Falls Post Office has had a negative impact on my eBay business. Since I am only one out of approximately 85 eBay business located in the 02864 zip code, it is reasonable to assume that this closing has also had a negative impact on these other sellers as well.

I have spoken to several eBay and online seller in the Cumberland who have already decided to either close their eBay business or bring their business to UPS in nearby Attleboro Massachusetts if the Valley Falls Post Office closed. Does the USPS assume that its current closure action is not being intimately monitored by its competitors?

Two letters that were forwarded to the commission as part of the letters from the citizens of Valley Falls both complained about the closing and threatened and have since taken their business to USPS competitors. They letters are listed as Exhibits 2 and 3:

I am also aware of one eBay seller who has already closed his eBay business as a direct result of the closing of the Valley Falls Post Office. How can the USPS expect to woo eBay sellers by exterminating the retail outlets these business have come to rely upon. It does not make sense for the USPS to seek more retail business while effectively limiting the outlets where business revenues can occur.

The fate of the USPS will not only depend upon if it can successfully woo new customers but more importantly in its ability to maintain its current customer base. Postmaster Donahue promised to make shipping easier and more accessible. I fail to see how closing the Valley Falls Post Office lives up that promise.

The sad truth of the matter is that although online sellers generate millions of dollars of revenue for the USPS sellers are simply the conduit for these funds because seller do not profit from shipping fees or for that matter USPS shipping discounts. In some cases as with Amazon they actually lose money on shipping.

When a consumer purchases an item on eBay sellers offer the shipping services that they feel most comfortable with and low cost shipping services that will render their sale items more attractive. The consumer makes a purchase and selects the shipping service offered by the seller and then pays for both the item and the shipping cost. The seller then must pack and wrap the item, package pay for and print the label and then deliver the item to a USPS retail facility for acceptance. Sellers are not compensated for the time they spend wrapping items, the material they use , printing supplies or the internet connection that is necessary to purchase postage online, Finally the seller must provide transport of the item to a postal facility to initiate the shipping process. So from the meager profits that sometimes online auction garner they must subtract the aforementioned expenses. The only reprieve that the seller hopes for is to travel a short distance to a retail facility where they don't have to wait in line too long. The USPS closure of the Valley Falls Post Office removes this small benefit from the picture because we now must drive longer distance.

The closing of Valley Falls Post Office has already put one EBay seller I know out of business and it will probably discourage other from starting online businesses in Valley Falls. During the spring the Mayor of Valley Falls inquired if I would be willing to hold

workshops to help residents of Valley Falls set up eBay business. He viewed eBay as a way of helping his citizens make ends meet during these economic times. The closing of the Valley Falls Post Office has effectively dismantled these plans because potential eBay sellers refuse to drive the longer distances to other post offices. The Mayor's idea was an excellent one that would have helped struggling families and also generated more revenue for the Valley Falls Post Office. Dream denied!

As I mentioned earlier in this reply, the USPS will attempt to argue that eBay sellers can save on traveling to post offices that are farther away from their business by taking advantage of the USPS free "Carrier Pick-UP" service. This service is free if you ship using expedited services such as priority or express mail. Since most eBay seller offer buyers the least expensive options for shipping like parcel post they are not eligible for free "Carrier Pick-Up" service. If you ship most of your items via parcel post the USPS will pick them up from your business for a fee of \$15.00 per pick up. This program does not benefit most eBay seller who ship mixed shipping products.

When preparing the amended AR for the Valley Falls Post office the USPS should be required to do the following:

1. Submit revenue and customer visit data for FY 2010
2. Submit revenue data that compares Valley Falls with statewide and national trends for FY 2010
3. Calculate all online sales of postage and shipping labels that originate from a zip code and include these totals in the yearly revenue, retail sales and customer visits for the Post office they propose to close. This information should be part of the AR
4. Conduct a survey of the small business sellers who purchase online postage so as to determine the concerns of the customer base they wish to increase and maintain.

REPLY TO THE ADMINISTRATIVE REVIEW COMMUNITY SURVEY DATA

The community survey that was conducted by the USPS has been a complete farce since it was initiated in September of 2009. The recent community meeting convened by the USPS on April 6 2011 was the last egregious attempt of the USPS to spin a series of lies regarding their intent to close the Valley Falls Post Office. As previously stated in the Attachment, the USPS did not come to our community with clean hands nor was forthcoming when we were informed that they were only considering the closure of the Valley Falls Post Office. As evidenced in an article published in The Providence Journal on April 9, 2011 the USPS stated publically that it was still considering the closure of the Valley Falls Post office when in reality it had made its final decision on February 11, 2011. The AR was not made available to the community before, during or after this community meeting. This is unacceptable.

I'd first like to reiterate how the USPS ignored the needs of the small business shipping community when it conducted its study of the Valley Falls Post Office. As I previously illustrated in the above section, not only were revenue and customer visit figures left out of the review process but the economic and logistical concern of these businesses were also completely glossed over. The USPS has made many statements with regard to how it sees itself as becoming the primary shipping service for eBay sellers even though it makes no efforts to solicit the needs and desires of this significant customer base. Seeking more of our business while cutting off our retail facilities thus making it harder for us to do business, is diametrically opposed to this vision.

The USPS conducted a two week study of the community concerns of the postal customers in Valley Falls in September of 2009. This study consisted of leaving 178 questionnaires at the counter of the post office and asking customers to return the questionnaires by October 5, 2009. The methodology used in their survey process was completely flawed and shallow. How did the USPS think that it would be able to get a true sampling of a community represented by almost 12,000 residents by only attempting to gather 178 total responses? They documented that the Valley Falls Post Office had 150 post office box holders so even if every one of these customers filled out a form that would have only left 28 forms for customers who use the retail window to complete. Did the USPS honestly expect customers to make copies of this questionnaire and then mail them back to the USPS by the October 5th deadline? (As will be illustrated later, customers who did mail back individual responses to the questionnaire were not even counted by the USPS in the total responses.) Did the USPS feel that the concerns of the postal box customer were the only concerns that we important to the Valley Falls Community? Could it be that in reality the USPS was not really concerned about the opinions of the Valley Falls Community at all? Additionally, if the USPS seeks to not only close a post office but to also consolidate postal services by moving them to an operational postal branch, should not the community that will receive the additional postal customers and traffic and possible wait in line times be advise of the impact that the consolidation will have on their community as well?

The AR that was submitted by the USPS in response to this appeal was comprised of 392 pages. Out of this total, 311 pages were copies of the 79 questionnaires and the USPS written response to those who completed the questionnaires in September of 2009. Additionally the AR included another 15 pages of letters from Rhode Island's various political representatives, organizations and community residents as well as the USPS responses to these representatives. The community questionnaires, letters from

representatives and the USPS reply to these questionnaires and letters comprise 84% of the entire AR document. The sole purpose of gathering these questionnaires and letters was to provide the USPS with an objective method of determining the needs and concerns of the Valley Falls community. In its response to the community residents who completed these 79 questionnaires the USPS sent each resident a reply form letter that represented the summation of all the USPS perceived community's concerns. Although the survey data makes up the bulk of the USPS AR it is obvious that these questionnaires and letters from Rhode Island Representatives were not even considered in the USPS final analysis to close the Valley Falls Post Office.

A list of these concerns are attached in EXHIBITS 4 and 5 as reported by the USPS and in their form letter responses mailed to respondents dated November 10, 2009.

The indicated concerns in EXHIBIT 4 and responses as documented in the form letter that was mailed to the respondents of the USPS September 2009 questionnaire have been mostly addressed by the petitioner in earlier sections of this reply brief and in the attachment that details our major concerns. The response submitted by the USPS to Concern number seven (7) does however require a more detailed examination by the petitioner.

The number 7 concern is listed as the hardship that seniors may endure as a result of closing the Valley Falls Post Office. The response by the USPS to this question is boilerplate, inappropriate and somewhat callous. The USPS seems to use this response whenever the effect on seniors is listed as a concern. The USPS seems to think that the seniors (representing 16% of the population of Valley Falls) who normally walk to their local post office, have no transportation and who may be technologically challenged will all of a sudden begin driving again, purchase vehicles, buy computers, order internet service, and use their

bank cards to make purchases online. The solution the USPS offers to seniors is the same solution they offer to everyone else. Are senior citizens not deserving of any special considerations? Does the USPS disregard the revenue that seniors potentially bring to local retail postal facilities? Does the USPS want Valley Falls seniors, who maintain Post Office boxes, to cancel their rental agreements and now get their mail at home? Has the USPS even taken into consideration that the Diamond Hill Post Office is not serviced by public transportation? Perhaps this customer base is not important to the USPS.

I truly believe that no matter how these questionnaires were responded to by the citizens of Valley Falls, the USPS was never truly interested in either the numbers or the written concerns as presented in their survey process. I am compelled however to expose the fallacy and ineptitude of this USPS survey process.

The USPS presents a statistical summary of the Valley Falls 2009 questionnaire responses and documents the following in Item 18 page 1 of the AR:

Total questioners distributed – 178

Favorable To Proposal - 9

Unfavorable To Proposal - 40

Expressing No Opinion - 30

Total Questionnaires Received – 79

The above tabulations were enumerated from the section 3, page 2 of the questionnaire that was left at the counter at the Valley Falls Post Office and is represented in item 6 page 3 of the AR. Although the USPS describes the responses as listed above in the AR, the check boxes in this section of the questionnaire are actually delineated as follows:

Better – Just As Good – No Opinion – Worse

The question that the USPS asks respondents to indicate their opinion is in response to the following:

“If you receive carrier delivery, there will be no change to your delivery service – proceed to question 4. If you receive Post Office Box service or general delivery service, complete this section. How do you think Post Office box service at the Cumberland Branch located at 2055 Diamond Hill Road, Cumberland RI. 02864 facility will compare to your current service?”

Even upon casual inspection of this section of the USPS questionnaire I find a variety of problems with the way this question was presented. Firstly it tries to separate the respondents by steering Carrier Delivery customers away from question Number 3 but does not explain the difference between “Carrier Delivery” and “General Delivery Service”. Respondents who did not understand the meaning of these terms may have been confused and unable to determine if they should or should not answer question number 3. Secondly, question number 3 only asks customers how they feel about Post Office Box service. There is no mention of a proposal in this section nor is the word proposal mentioned in the question. The USPS then tallies the responses (listed as Better – Just As Good – No Opinion – Worse) and attempts to correlate them to being either unfavorable, favorable or having no opinion of “The Proposal”. The entire section asks a very prejudicial question and then tallies the response incorrectly. The USPS attempts to use the respondents who checked the “Just as Good” response as a vote in favor of the their phantom proposal. Checking “Just as Good” actually means either/or and shows no preference for either location, The only response that the USPS may be able to assume as indicating “Favorable to the Proposal” is where a respondent has checked the “Better” box which as per this survey only contains two (2) responses. Here is how the questionnaires are actually checked by the respondents when answering the above question: The entirety of these actual responses can be viewed by examining Item 17 and all of its pages in the AR:

Better	2
Just As Good	7
No Opinion	12 Respondents Checked this box
No Response	12 Respondents Checked No boxes
Worse	51 there were an additional 5 individual letters that were sent in response to this questionnaire that the USPS did not count and are Presented as Item 17 page 12, 13, 45, 56, 72

The USPS incorrectly identified and tallied the following respondent questionnaires as either “no opinion”, “better” ‘just as Good” ‘even though the respondents wrote responses that were clearly opposed to the closing of the Valley Falls Post Office. These responses can be viewed in Item 17 pages 29-30, 111-112, 126-127, 129-130, and 188-189.

The USPS has not only completely fudged the numbers when it tabulated the responses to this question, but it also omitted a bevy of concerns that customers who answered this questionnaire and of those who sent individual letters in response to the questionnaire. The following is a list of the additional concerns as delineated in the questionnaire for respondents who checked the “worse” box and wrote specific concerns in their individual letters. Here is a summation: (It should be noted that I can not find the respondent questionnaire that identifies a 66 year old person as represented in the USPS form letter).

Respondent Concern: The traffic is horrendous traveling from Valley Falls to the Diamond Hill Post Office.

Respondent Concern: There are other ways for the USPS to cut its expenses rather than making it inconvenient for the residents of Valley Falls.

Respondent Concern: I work in Valley Falls and have retrieved my mail there for over 30 years.

Respondent Concern: I live in Valley Falls and am visually impaired.

Respondent Concern: I walk to the Valley Falls PO and there is no public transportation to Diamond Hill.

Respondent Concern: Difficult to get from Valley Falls to Diamond Hill when weather is bad.

Respondent Concern; I have no transportation to get to Diamond hill to get mail from PO Box.

Respondent Concern: Have direct sales business and Valley Falls is more convenient.

Respondent Concern: If the Valley Falls Post Office closes I will use UPS.

Respondent Concern: My mother walks to the Valley Falls Post Office and can not walk to Diamond Hill.

Respondent Concern: I ship \$100's worth of parcels per week and will use UPS if Valley Falls closes.

Respondent Concern: (My) Business is very close to Valley Falls Post Office and we make multiple trips daily. It would be very expensive to travel to Diamond Hill.

The 143 individuals letters submitted from the Citizens of Valley Falls to the Commission on June 8, 2011 represent the current concerns of the Valley Falls community as they specifically relate to the closure of the Valley Falls Post Office.

If the USPS intended to use the submitted survey comprised of such a small sampling of the Valley Falls Community then it at least has to concede that based upon the response it tallied the Valley Falls community opposed the closing of the Valley Falls Post Office almost 50-1. The lack of depth that is typical of the USPS community surveys, notices and meeting is indicative of its lack of concern regarding how its actions

may have affected the citizens of Valley Falls. Further proof of their lack of concern is further evidenced in the attachment under the sections: The USPS lied to Valley Falls Community. I find it hard to accept that the USPS would only distribute 178 questionnaires to a community comprised of 12,000 people. I also find it disturbing that the USPS only gave the entire community of Valley Falls 10 days to not only complete this questionnaire but to also return it the Rhode Island Main Post Office located at 24 Corliss St in Providence by October 5, 2009 via mail. I would also assume that the USPS would not have included in its tabulations any questionnaire that might have arrived late or after the October 5th deadline and it's possible that questionnaires picked up from the counter of the Valley Falls Post Office and mailed on October 2nd may have never been included in their tabulation.

The USPS claims that it was and is aware of the needs of the citizens of Valley Falls. To demonstrate its knowledge of our community it attaches Item 10, pages 1-4 from the 2000 Census Bureau tables. The only statistic that is referenced in any part of the AR is the total population of Cumberland Rhode Island which as per the 2000 Census Bureau Tables is approximately 31,000 residents. The USPS did not exert any effort to examine the section of Cumberland that is identified as Valley Falls nor did it tailor its assessment of Valley Falls based upon the uniqueness of our community and the majority of the population that has inhabited this area of Cumberland RI for over 172 years. The attachment provides an in-depth analysis of the Valley Falls and demonstrates how closing the Valley Falls Post Office would affect our community. A more accurate description and demographic breakdown of Valley Falls can be found on the following Wikipedia web page located at:

http://en.wikipedia.org/wiki/Valley_Falls,_Rhode_Island.

Valley Falls, Rhode Island

From Wikipedia, the free encyclopedia

Demographics

As of the census^[1] of 2000, there were 11,599 people, 4,494 households, and 3,258 families residing in the CDP. The population density was 1,261.5/km² (3,269.5/mi²). There were 4,668 housing units at an average density of 507.7/km² (1,315.8/mi²). The racial makeup of the CDP was 95.88% White, 0.83% African American, 0.11% Native American, 0.52% Asian, 1.42% from other races, and 1.24% from two or more races. Hispanic or Latino of any race were 3.94% of the population. Valley Falls has an extremely large Portuguese population.

There were 4,494 households out of which 32.2% had children under the age of 18 living with them, 57.3% were married couples living together, 11.4% had a female householder with no husband present, and 27.5% were non-families. 23.5% of all households were made up of individuals and 11.5% had someone living alone who was 65 years of age or older. The average household size was 2.57 and the average family size was 3.05.

In the CDP the population was spread out with 23.3% under the age of 18, 7.1% from 18 to 24, 30.4% from 25 to 44, 22.8% from 45 to 64, and 16.6% who were 65 years of age or older. (1)

The key piece of information imparted in the Wikipedia article is “Valley Falls has an extremely large Portuguese population” The questionnaire left at the counter never took into account that there might have been a language issue with regard to filling this form out. Firstly, many residents of Valley Falls are of Portuguese descent and do not speak, read or write English as a first language. The Valley Falls Post Office has been located at 197 Broad Street since about 1972. I find it difficult to believe that the astute managers of the New England Operations Area were not aware of the demographics that has historically comprised the community of Valley Falls, especially after submitting demographics from the 2000 US Census Bureau tables in item 10, pages 1-4. These tables clearly indicate the ancestry of the population of Cumberland Rhode Island. The question that has to be asked of the USPS is how did the overwhelming ratio of those who reported the proposal

“unfavorable” to those who reported it favorable weigh in its decision to close the Valley Falls Post Office?

It is obvious that the USPS questionnaire survey was improperly conducted, has been tallied incorrectly and represents opinions with regard to comparing Post Office Box service at either Diamond Hill or Valley Falls. If the USPS submitted this questionnaire as satisfying its requirement to survey the needs of the Valley Falls community, the structure of the question and the incorrect tabulations of the responses should essentially void the USPS survey process thus rendering the AR incomplete thus not satisfying the agency’s statutory requirement.

Is should be noted that the managers and executives who oversee the SENE operations area have rushed to completely dismantle the retail postal facility of Valley Falls located at 197 Broad Street by systematically removing equipment and fixtures from this facility so as to make claim of a economic hardship if the Commission reverses the USPS decision. The closing of the Valley Falls Post Office was conducted despite the urgings of Commissioner Goldway and after the USPS told the Representatives of the State of Rhode Island that it would keep the Valley Falls Post Office open until the Commission had made a decision on the appeal of the citizens of Valley Falls.

It is my sincere desire that the Commission examine all of the evidence presented in this reply and reverse the USPS decision that closed the Valley Falls Post Office and remand them to re-open its doors to a community that so desperately needs it.

Respectfully Submitted

Derrick Watson

Concerned Citizens of Valley Falls SOPO

August 12, 2011

Exhibit 1

Sample PayPal to USPS statement

Aug 8, 2011	Payment To	eBay Inc Shipping	Payment To eBay Inc Shipping	-\$5.58	-\$5.58 USD
Aug 8, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 5EW43528B3346642N	-\$8.16	-\$8.16 USD
Aug 4, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 8303519505433951X	-\$4.24	-\$4.24 USD
Aug 3, 2011	PayPal Services To	US Postal Service	Details PayPal Services To US Postal Service 6A664955HV732020U	-\$10.95	-\$10.95 USD
Aug 1, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 7CD71818981082102	-\$8.15	-\$8.15 USD
Aug 1, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 68B18980VE3370516	-\$2.60	-\$2.60 USD
Jul 26, 2011	Payment To	eBay Inc.	Details Payment To eBay Inc. 2SM25920G23300340	-\$8.00	-\$8.00 USD
Jul 26, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 2XW00341RJ2479000	-\$25.71	-\$25.71 USD
Jul 25, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 8W36494364983603U	-\$8.86	-\$8.86 USD
Jul 22, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 40L34139PH466625H	-\$2.59	-\$2.59 USD
Jul 22, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 59300672L95840645	-\$11.96	-\$11.96 USD
Jul 21, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 2W650229DD088415G	-\$2.60	-\$2.60 USD
Jul 20, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 54G71855YW345373J	-\$9.19	-\$9.19 USD
Jul 18, 2011	Payment To	Neoteric Solution, Inc.	Details Payment To Neoteric Solution,	-\$7.70	-\$7.70 USD

Inc. 8YE00710TH224020C					
Jul 18, 2011	Payment To	eBay Inc Shipping	Details Payment To eBay Inc Shipping 1WG225319W5329813	-\$14.97	-\$14.97 USD
Jul 18, 2011	PayPal Services To	US Postal Service	Details PayPal Services To US Postal Service 384570589C245711A	-\$2.60	-\$2.60 USD
Jul 17, 2011	PayPal Services To	US Postal Service	Details PayPal Services To US Postal Service 89L56552J3053772P	-\$8.86	-\$8.86 USD
Jul 17, 2011	PayPal Services To	US Postal Service	Details PayPal Services To US Postal Service 8HR47518MR184214J	-\$7.54	-\$7.54 USD
Jul 17, 2011	PayPal Services To	US Postal Service	Details PayPal Services To US Postal Service 7ME50380M8659111Y	-\$2.60	-\$2.60 USD

Exhibit 2

Name Justin Ferreira
 Address 327 Ronald Ave
 City Cumberland State RI ZIP 02864

Date 5/24/11

Docket # A2011-18

United States of America
 Office of the Secretary
 Postal Regulatory Commission
 901 New York Ave. NW Suite 200
 Washington, DC 20268-0001

Request for Waiver of Electronic Filing

Pursuant to 39 CFR 3001.12(a)(2)

Dear Commissioners:

I am a resident of Valley Falls in Cumberland Rhode Island. I wish to submit my comments regarding the recent USPS decision to close my local Post Office Branch located at 197 Broad Street on July 8 2011.

I am unable to file my comments regarding this decision via the electronic process because I do not have internet access and/or access to a computer. I respectfully request waiver from the electronic filing process. As per 39 CFR 3001.12(a)(2) I am afforded the right to have my comments and complaints submitted and entered via First Class Mail in support of my community's appeal to the commission to reverse the recent USPS decision. My major concerns regarding the closing of my local Post Office Branch is as follows:

The service at this branch is the best service I have received at any branch. I live 1 mile from the Diamond Hill Branch. The service at Diamond Hill is horrible, the worst service of any post office I have done business. I drive by the Diamond Hill branch to take my business to Valley Falls. I have never had a problem at Valley Falls. The USPS should be embarrassed by the service at Diamond Hill. I will no longer use the USPS to ship my Ebay items if the Valley Falls branch is closed. I ship items 5 days a week, I refuse to use any other branch. I will use UPS if you close this branch. Thank you for your consideration.

Signed: Justin Ferreira

Office of the Secretary
 Postal Regulatory Commission
 901 New York Ave. NW Suite 200
 Washington, DC 20268-0001

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Thank you for your consideration.

EXHIBIT 3

The following concerns were expressed on the returned questionnaires:

1. **Concern:** Customers currently renting PO boxes do not want their address to change.
Response: Customers will be able to maintain their current PO Box number at the Cumberland Branch.

2. **Concern:** Customers will have to travel an additional 3.1 miles to reach the Cumberland Branch.
Response: Valley Falls Station is within 3.1 miles from three other postal facilities: Cumberland Branch (3.1 miles); Pawtucket Post Office (1.8 miles); Lincoln Branch (1.2 miles).

3. **Concern:** Lines will be longer and service slower at the Cumberland Branch.
Response: Customer Satisfaction scores for the last year at the Cumberland Branch indicate that the average wait time in line is only 1 minute and 34 seconds. There is sufficient staffing of sales and service associates at the Cumberland Branch to address the additional customer traffic.

4. **Concern:** Clerks at Cumberland Branch are not as friendly as the clerk currently working at Valley Falls.
Response: All sales and service associates are instructed to act in a professional manner when dealing with customers. Plus the hours of service are more convenient for customers.

5. **Concern:** I have lived in the area all my life (66 years) and it would be a shame to see this facility closed.
Response: The Postal Service believes that the Cumberland Classified Branch will continue to provide effective and regular service to the customers of the area. It will also offer expanded hours not available at the Valley Falls Classified Station.

6. **Concern:** Traffic on Diamond Hill road is very busy.
Response: Approaching the Cumberland Branch from the north there is a dedicated lane for left hand turns. While approaching from the south only a right turn is necessary to enter the parking lot.

7. **Concern:** It would be a hardship for senior citizens to get to the Cumberland Branch on Diamond Hill road.
Response: Customers can buy stamps online through our Web site at www.usps.com, by phone at 1-800-STAMP24 or by mail. In addition Click-N-Ship service at www.usps.com enables customers to print shipping labels with postage for Express and Priority mail. Customers can also place their mail on hold by contacting 1-800-ASK-USPS or visiting www.usps.com. There are two other postal retail outlets less than 1.8 miles from this location, plus there are various retail locations in the area that provide stamps by consignment.

ATTACHMENT NO 1

Reason Number One. The Retail Postal Service Facility in Valley Falls is a “Post Office”

- Historically, the Valley Falls community has been served by a local post office since about 1890 when a US Post Office was engendered at 12-14 Mill Street
- The brick building located at 197 Broad Street has cemented and attached to its façade metal letters that spell out the following: “UNITED STATES POST OFFICE” Cumberland Rhode Island 02864
- The USPS web site contained until sometime after July 8, 2011 the complete listings of all postal retail facilities located within the state of Rhode Island. Although the USPS had classified many of the listed facilities as “Stations”, i.e. (NORTH STATION FINANCE, 351 SMITH ST, PROVIDENCE, RI 02908-3700, FRIAR STATION, 333 EATON ST, PROVIDENCE, RI 02908-2825, EAST SIDE FINANCE STATION, 306 THAYER ST, PROVIDENCE, RI 02906-1590), the Valley Falls facility at 197 Broad Street was listed as a “Post Office” on this web site and not a “station”
- Until sometime after July 8, 2011 when one dialed 401-725-2962, the official telephone number of the postal retail facility located at 197 Broad Street in Valley Falls as listed on the official USPS web site, the following recorded greeting was played. “Hi you’ve reached the Valley Falls Post Office...” If the Valley Falls retail postal facility is not a “Post Office” then why was it announced as such to any and all callers?

Reason Number Two: The Term “Customers Lose Access” Can Never Be Realized in The United States

- Losing access to postal services is not the issue here and it should never be the issue. If the USPS is allowed to use the “Lose access” as the litmus test for deciding to close post offices then they will succeed in every one of its closure actions. The USPS will always be able to say that citizens can find postal services somewhere else. The citizens of Valley Falls are more concerned with the type, quality and proximity of access that we have to postal services in our community. As long as a citizen is willing to travel far outside his or her community they can always find a postal facility.

Reason Number Three: What Exactly Does The Term “Close Proximity” Mean?

- As per Webster’s dictionary “Close” means: at or to a short distance or time away. Webster’s defines “Proximity” as: the quality or state of being close or near. The term “Close Proximity” represents a tautology meaning that is redundant. If the USPS is allowed to use this term when it attempts to justify the nearness of a retail

postal facility to a customer's home then the term should be interpreted to mean "very very close"

- The USPS asserts that two (2) alternative stations are located within two (2) miles of Valley Falls. The USPS is correct in its assertion that these stations exist. How can a postal facility located two (2) miles from a customer's home be "very very close"? For the residents of Valley Falls "very very close" means walking distance. Residents walk to the Valley Falls Post Office on a daily basis. They walk to this Post Office either because they don't drive or have access to a vehicle. In the case of postal box holders who normally walk to the Valley Falls Post Office to retrieve mail daily they would be forced to travel almost seven (7) miles roundtrip to a post office that is not serviced by RIPTA (Rhode Island Public Transit Authority). The Diamond Hill post office is not "very very close" to the Valley Falls Community.
- With regard to the Valley Falls residents who have means to transportation, should they be required to expend their already limited resources on extra fuel to travel the 1.2 -3.5 mile distances as well? The USPS should not be allowed to close the Valley Falls Post Office on the basis of what they consider to be "very very close" because a distance of 1.2-3.5 miles fails to meet that definition. The only post office that is "very very close" to Valley Falls is located at 197 Broad Street.

Reason Number Four: The USPS 2009 Survey is stale, inconclusive and does not represent the complete nor current concerns of the Valley Falls Community.

- The USPS asserts that it satisfied the provision to gather comments from the Valley Falls community in its September 2009 survey. The USPS states that it left 178 survey forms at the Valley Falls Post Office counter and mailed survey forms only to postal box holders. A survey should at least be timely, current and its results should have been made available to the community that it affects. The population of Valley Falls as per the US Census Bureau is approximately 12,000. I find it very difficult to believe that the USPS could draw any real conclusions based upon such a small survey sampling (79).
- The community of Valley Falls is traditionally and primarily comprised of Portuguese-speaking people, some of whom neither read nor write English very well. If the form used in survey was simply left at the counter and no one fully explain the purpose of the survey, this would explain why the response to the USPS survey was so low. Although the USPS is required to conduct surveys in communities where they are considering closing post offices, it is understandable why they put so little effort into thoroughly completing this requirement. Why would an agency that expects negative feedback regarding a decision that may impact a community be motivated to do a thorough job at completing a community survey.
- The PRC should require the USPS to mail a survey form along with a postage paid return envelope to all households in a community that receives mail instead of simply leaving a survey form at the retail postal counter. Leaving a survey form at the postal counter and expecting this procedure to garner a true representative sampling of the

concerns and comments of a community regarding a post office closing is wishful thinking. Would it take much more effort to mail these forms to all households? The cost to do so would be minimal since the USPS would not have to pay for postage. In the future the PRC should require the USPS to contract with a bonded and independent auditing organization to undertake the completion of a community survey. The results of this survey should be made available to the USPS as well as the governing body of the community that will be affected by any proposed closing.

When the Concerned Citizens of Valley Falls SOPO began to poll the community regarding the closure of the Valley Falls Post Office in beginning in March of 2011, we faced two obstacles, first the language barrier and second trust. We overcame both obstacles by leaving the petition and comment forms at various businesses in the Valley Falls area. These businesses, which all have a stake in the proposed closure of the Valley Falls Post Office, were instrumental in getting signatures on both the petition and the comment forms.

The petition forms were personally handed to John “Mike” Powers at the April 6, 2011 community meeting because we were all under the impression that the USPS had come to solicit our current comments regarding the proposed closure. The individual letters that we submitted to the PRC on May 22, 2011 contained many forms where only the names and signatures were completed. Although some of the residents could not read the English part of the letter they understood that the USPS was attempting to close the Valley Falls Post Office and they simply signed their names in protest because they were unable to respond in English.

The signed petition documents and the individual opposition letters submitted to the PRC on May 23, 2011 represent a more accurate demonstration of how the residents of Valley Falls feel regarding the closure of the Valley Falls Post Office. These recent petitions and letters provide more up to date comments as opposed to the USPS 2009 survey. How can a current petition that contain over 400 signatures collected in 2011 not carry more credence than the 79 responses collected by the USPS in 2009? How can the 142 individual comments and 34 business owner petitions be excluded from the USPS decision process. Will the PRC also ignore our current comments and allow an outdated and effortless survey to supersede a more inclusive commentary? The USPS never intended to understand the Valley Falls community or its needs nor was the USPS ever interested in our objections to the proposed closing.

Reason Number Five: The USPS never considered the concerns or needs of the Valley Falls community and is ignorant as to our community’s cultural traditions.

- The USPS is absolutely clueless as to the needs of the residents of Valley Falls. Valley Falls is a community comprised of 85% second generation Portuguese Americans. The Portuguese, as a culture, prefer to conduct business and most other personal interaction face to face and hand to hand. They trust who and what they can see. The residents of Valley Falls traditionally prefer to conduct business locally rather than globally. The “look „em in the eye and give „em a firm handshake” is part of their cultural makeup.
- They support their local businesses and prefer not to travel great distances for goods and services. When communicating with others, the residents of Valley Falls

prefer face to face contact and will opt to send a message by mail as opposed to using the internet. They inherently trust the mail for communication and for paying bills. Many residents in Valley Falls still use money orders to pay their monthly financial obligations.

- One of the primary reasons why the Concerned Citizens of Valley Falls –SOPO had to mail the comments it collected from the community to the PRC was because the residents absolutely refused or could not use the internet. Residents who completed the comment forms did so by visiting the counters of their local businesses.) How can the USPS assume that residents of Valley Falls who have been used to conducting retail postal transactions in their own neighborhood to suddenly alter their life style to include traveling 1.2 – 3.5 miles away from their homes? The USPS assumes that Valley Falls residents can visit the Diamond Hill Post Office while completing their normal daily errands. This assumption again demonstrates the ignorance of the USPS with regard to the culture of Valley Falls.
- If the USPS had really assessed our community they would have ascertained that Valley Falls residents don't conduct daily errands in the Diamond Hill Area. On a daily basis Broad Street is traversed by many local resident who have been accustomed to walking to banks, schools, churches, grocery stores, bakery shops, pharmacies, hardware stores, and other local establishments. Walking to the Valley Falls Post Office is an important thread in the fabric of our daily lives.
- Conversely, no one in the Diamond Hill area walks to any of its local businesses. This is the main reason why this area is not provided with public transportation by RIPTA. RIPTA realizes that the residents of Diamond Hill have no need for public transportation because they all have private transportation and drive to all business establishments.
- The USPS has submitted a totally erroneous and fictitious analysis in their justification on the “ease” in which residents of Valley Falls can navigate to the Diamond Hill Post Office. Firstly, Valley Falls is located south of Diamond Hill so although there is a dedicated left turn lane on Diamond Hill Road on the southbound side it is inconceivable why a residents who live to the south would take advantage of this lane. The direct route from Valley Falls to the Diamond Hill area is via Diamond Hill Rd. and that route is from the south not the north as the USPS suggests. To reach the Diamond Hill Post office from the north would require residents of Valley Falls to travel over 5 miles from the south to reach the this destination via Angel Rd. That's two miles more than when traveling north on Diamond Hill Rd. This makes no sense and only further demonstrates how out of touch the USPS is in terms with identifying the needs of the Valley Falls community. The fact they mention this alternative route from the north and dedicated left turn lane is indicative of their acknowledgement that traveling north along Diamond Hill Rd is very problematic. In addition to the horrific traffic problems residents would experience daily while traveling north along Diamond Hill Rd, they would experience infinitely more problems while attempting to make left turns out of the Diamond Hill parking lot during peak times to return south to their homes and businesses. Traffic at this location is totally unforgiving in this regard.

- For some reason the USPS considers Valley Falls some sort of high tech community. The fact of the matter is that Valley Falls is truly a low tech community and most residents purchase only what they immediately need with cash and in person. Many postal customers in Valley Falls don't have computers nor do they have access to the internet. The postal service "Stamps by Mail" will not benefit those who can only afford to purchase the stamps that they immediately need, nor does it address the needs of customers who walk to the Valley Falls Post Office to purchase money orders with cash. The USPS in its justification to close the Valley Falls Post Office does not offer our community any advantageous alternatives. Its idea of this supposedly simple change requires access to the Internet, traversing longer distances, more travel time and expenses, and more inconveniences.

Reason Number Six: The USPS and its representative John "Mike" Powers flagrantly lied to the residents of Valley Falls at the April 6, 2011 community meeting and the USPS has not conducted its determination in good faith.

- The USPS hosted a community meeting on April 6, 2011 at City Hall in Cumberland. The flyer/notice that the USPS posted at the Valley Falls Post Office indicated that this meeting would be a forum where the USPS would listen to comments and concerns from the community regarding its consideration to close the Valley Falls Post Office and consolidate its services with the Diamond Hill Post Office.
- The document states the following in the first and second sentences:
"Current economic conditions require that the USPS review all postal operations for opportunities to streamline processes and provide services more efficiently. Accordingly, we are considering consolidation of the retail and delivery operations at the Valley Falls Finance Station located at 197 Broad Street in Cumberland RI 0286.
- The last sentence of the flyer states: "The Postal service operates to serve our customers. We value your opinions during this process.Please try to attend the meeting in order to voice your concerns. There will be a Postal Representative there to answer your questions."
- The flyer that stated the aforementioned was posted on the lobby door and several other lobby locations at the Valley Falls Post Office in the beginning of March 2011.

Lie Number one: The USPS had made its determination to close the Valley Falls Post Office almost two (2) months before it hosted the April 6, 2011 community meeting.

- As part of the USPS Notice before the PRC, the USPS includes a document titled "FINAL DETERMINATION TO CLOSE THE VALLEY FALLS CLASSIFIED STATION...". The document was signed by the Vice President of Delivery and Post Office Operations on February 24, 2011. On page five (5) of the FINAL DETERMINATION TO CLOSE document, it states in section VII NOTICES: "Notify customers of the permanent discontinuance of the Valley Falls Station and advise them...." If the USPS had rendered its final determination in February of 2011

to close the Valley Falls Post Office then why did the notice that was posted in the lobby of 197 Broad Street state that the USPS was considering closing the Valley Falls Post Office?

- When John “Mike” Powers was directly asked by a Valley Falls resident if the USPS had made the determination, Mr. Powers emphatically said no and that the reason for the meeting was to solicit the concerns of our community. Was Mr. Powers aware of the Final Determination document that was signed on February 24, 2011? If so, why did he tell the Valley Falls residents that the closure was still being considered?
- How can the afore mentioned document coupled with Mr. Powers' public statement that the closure of the Valley Falls Post Office was still being considered be seen as operating in good faith? When a governmental representative and an agency as a whole lie to the public it undermines the public's faith in that agency. This sequence of event should be taken seriously by the PRC because it reveals the true nature of the USPS Valley Falls proposal. The UPS's decision to close the Valley Falls Post Office should be overturned by the PRC because the actions of the USPS have been totally unethical. How can the residents of Valley Falls or the PRC, for that matter, trust anything else the USPS has to say. This was not the only impropriety that plagued the April 6, 2011 community meeting.

Lie Number Two: The Valley Falls Post Office is being considered for closing due to a 20% decline in its revenue.

- Mike Powers publically stated that the USPS was considering closing the Valley Falls Post Office because it had experienced a 20% drop in revenue. The Final Determination document clearly states the Valley Falls Post Office was being closed due to a 9.5% decline in revenue.
- In an official USPS Press Release dated February 1, 2011 the USPS states that it was conducting a study of the Wareham MA Postal Annex and possibly consolidating this operation with a facility in Brockton MA. Mr. Mike Powers is quoted as saying that the entire New England operations had experience a 20% decline in income since 2007.
- Why did Mr. Powers double this amount that is officially stated in the “Final Determination” statement and then attribute the New England's percentage of decline to the Valley Falls Post Office? The residents of Valley Falls contend that Mr. Powers did so because he never really expected that our residents would initiate an appeal and that the flagrantly misleading statements and lies made by Mr. Powers and the USPS would never come to light.

Lie Number Three: Closing the Valley Falls Post Office will save the USPS \$100,000

- Mike Powers told our community that closing the Valley Falls Post Office would save the USPS \$100,000 per year. He failed to mention that due to the USPS lease and contract obligations at 197 Broad Street that it would have to pay almost \$90,000 to facilitate this closing. Since the USPS lease obligation to the owners of the building at 197 Broad Street does not end until 2013 the USPS should be forced to continue the Valley Falls Post Office retail operations until that time. Paying \$90,000 to close a facility mitigates the supposed saving that the USPS would realize for at least one year.

- Federal law states that a Post Office should not be closed simply because the USPS feels that the Post Office facility is losing money. It further states that the USPS should also investigate and study how closing a Post Office will negatively impact a community. To date the only study that the USPS has attempted to conduct is one that was conducted in September of 2009 that consisted of 79 responses. This meager sampling and the financial statement contained in the “Final Determination” clearly indicates that the USPS never really considered the total negative impact that closing the Valley Falls Post Office would have on our community. The last statement in section VI of the “Final Determination” clearly states that the primary reason and major advantage for closing the Valley Falls Post Office is to save the USPS \$106,282 annually.
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- It is obvious that the USPS feels that the quality of life of the residents of Valley Falls should be sacrificed to provide the USPS with a 0.002% savings of its \$8.5 billion deficit. As per the US Census Bureau (2000) the total population of Cumberland Rhode Island is approximately 33,000 of which 12,000 citizens reside in the 3.5 square mile area that comprises Valley Falls. Senior citizens represent 20% of Valley Falls’ total population. It is difficult to fathom how closing the Valley Falls Post Office upholds the principle of providing for “the greater good” by saving the USPS a meager 0.002% of its national deficit while inconveniencing approximately 12,000 or roughly 38% of Cumberland’s residents and postal service retail customers. The “greater good” should be determined not only by USPS profit or the lack thereof, but also by the needs of a community. The USPS decision to close the Valley Falls Post Office is a flagrant attempt to deprive a poverty level and socio-economically depressed community of a basic need. Why would the USPS cause a community that has suffered through the worst of Rhode Island’s economic crisis, to suffer even more?
- John “Mike” Powers, the Public Relations Manager for the New England Area Operations stated at the April 6, 2011 community Meeting in Valley Falls, that the Cape Cod area in Massachusetts has an over abundance of retail postal services and he said that he did not understand why Cape Cod needed such saturation but confessed that the USPS is not even considering closing any postal operation in this affluent area. The PRC needs to analyze whether the USPS decisions to close post offices is actually based upon on the socio-economic status of a community. I assert that the USPS viewed Valley Falls as a community that was vulnerable to “steam rolling”. I am sure that the USPS could save a lot more money by closing a few of its retail services on Cape Cod, but they felt that the protest of the Valley Falls residents would be pale in comparison to the protest that they would face in an affluent community such as Cape Cod.

LIE Number Four: John „Mike Powers never mentioned that the community of Valley Falls could approach the PRC to appeal its closure decision.

- The meeting that was hosted by the USPS on April 6, 2011 was never intended to solicit the concerns of Valley Falls residents. The proof as contained in the USPS February 2011 “Final Determination” statement reveals that this meeting was simply a diversion in the USPS attempt to deprive Valley Falls of its right to appeal the USPS decision.
- When a voice from the crowd asked Mr. Powers if he was going to reveal that the community could initiate an appeal with the PRC to oppose the closing of the Valley Falls Post Office, Mr. Powers rolled his eyes to the ceiling, looked at his watch and

then turned his back to the speaker who made the suggestion. The USPS in their Final Determination” statement states in “concern number four (4) that USPS employees receive instruction on public courtesy. Mr. Powers dismissed the mentioned appeal process and never attempted to explain the process to our community. Mr. Powers even turned his back on me when I handed him our petitions and began to express my concern of how the closing of the Valley Falls Post Office would affect the shipping cost for my eBay business.

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- The community meeting was attended by several Post Masters from other post offices in Rhode Island and Massachusetts. When I inquired of Mr. Powers why he needed such a large entourage of postal employees, whom he admitted had no bearing on the consideration of the USPS to close the Valley Falls Post Office he replied that the other Post Masters were there for observation. The meeting that the USPS conducted on April 6, 2011 was not conducted for the benefit of the residents of Valley Falls but instead as a training session for the other Post Master attendees.

In conclusion the PRC should reverse the decision of the USPS to close the Valley Falls Post Office for the aforementioned reasons. The PRC should require the USPS to complete a thorough and more diligent analysis of a community’s needs before it attempt to close a post office in any community. The PRC should require the USPS to submit evidence of the additional measures it intends to take to reduce its state-wide and national deficit woes before closing a community post office. More importantly, the PRC should thoroughly investigate the deceptive practices that the USPS has attempted to use in all of its actions to close the Valley Falls Post Office.